



2008/2009

Optional Fair Funding Programs



California Department of Food & Agriculture

Division of Fairs & Expositions

1010 Hurley Way, Suite 200

Sacramento, CA 95825

Phone: 916-263-2955 Fax: 916-263-2969



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

A. G. Kawamura, Secretary

October 30, 2008

F2008-08

TO: All Fairs

SUBJECT: 08/09 Infrastructure Matching Grant Funding Available

Per the changes in the structure of fair funding programs that have come about as a result of the 2006 Future Vision forum, new funding programs are now coming on-line. A program account with funding for the 08/09 Infrastructure Matching Grants is being established at the California Construction Authority. Class I and II fairs submitted project proposals in February 2008 and project funds are now available for fairs with recommended projects. Those fairs should include the Infrastructure Matching Grant project funding in their 08/09 budget.

There are also grant monies available to assist with engineering and bidding costs. Please contact your CCA project manager to discuss your project needs so that a project account can be established with funds for your fair's use in getting projects started.

As a result of the projected shortfalls in pari-mutuel receipts to the F&E Fund, funding for the Replenishment Fund and the Investment Reserve Fund loan programs may have to be suspended for 08/09. However, F&E will not be able to confirm the extent of funds that may be available for those programs until after June 30, 2009 and will notify fairs with recommended projects about fund availability at that time. Those fairs with recommended Replenishment Fund and Investment Reserve Fund projects should however include the recommended funding from those programs in their 08/09 budget.

If you have any questions about the funding programs you can contact Lisa Drury at the Division of Fairs & Expositions by email: ldrury@cdfa.ca.gov or you may reach her by phone at (916) 263-2951.

Sincerely,

Michael F. Treacy
Director

MFT/klk

cc: California Construction Authority
Fairs & Expositions Financial Group



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08/09 Funding Programs At-a-Glance

2008/2009 PROGRAM	ELIGIBILITY CRITERIA	FUNDING	SCHEDULE
Flex Capital \$1,820,000	<p>Class I-IV fairs are eligible.</p> <p>Bonus Incentives will be distributed based on fair performance ratings (See page 5).</p> <p>Funds can be used for capital improvements, equipment purchases, operational or program expenses at the fair's discretion.</p>	<p>Grants</p> <p>Class I-IV Fairs A maximum of \$30,000: up to \$25,000 base amount + \$5,000 incentive bonus</p> <p>48th & 51st DAAs: a maximum of \$20,000: up to \$15,000 base amount + \$5,000 incentive bonus.</p> <p>52nd DAA: a maximum of \$10,000: up to \$5,000 base amount + \$5,000 incentive bonus</p>	<p>No application</p> <p>Funds will be sent directly to fairs by F&E via the State Controller's Office</p> <p>Funding available after June 30, 2009 assuming adequate license fee revenue at year end.</p>
Urgent Needs/ Emergency Fund \$185,000	<p>All fairs are eligible.</p>	<p>Grants, advances or loans</p> <p>Co-funding may be recommended as a condition of approval</p>	<p>Proposals accepted on going</p>
Pari-mutuel & Live Racing Program Funds (CARF) \$2,600,000	<p>Track Safety and Maintenance Program</p> <p>Capital Investment</p>	<p>Grants, advances or loans</p>	<p>Programs administered by CARF.</p>

08/09 Funding Programs At-a-Glance

NEW PROGRAMS	ELIGIBILITY CRITERIA	AMOUNT	SCHEDULE
Infrastructure Matching Grants Up to \$3,780,000 for 08/09 Up to \$2,550,000 for 09/10	<p>All fairs that have completed accessibility transition plans are eligible.</p> <p>08/09 Program: Class I & II Fairs</p> <p>09/10 Program: Class I, II & III Fairs</p> <p>10/11 Program: Class IV, V, VI & VII Fairs</p> <p>11/12 Program: Class I & II Fairs</p> <p>The Advisory Committee will review proposals and make recommendations for funding priorities.</p>	<p><u>F&E Fund Grants up to:</u> Class I: \$197,000* Class II: \$155,000* Class III: \$118,000 Class IV: \$81,000 Class V: \$65,000 Class VI: \$19,000 Class VII: \$13,000</p> <p>*Exceptions: 51st & 52nd DAA: \$30,000 48th DAA: \$38,000</p> <p>Matching co-funding is required: Class I: 5% Class II: 10 % Class III: 15% Class IV-VII: 20%</p>	<p>08/09 Program: Project funds available after 6/30/09. Funding is a combination of \$1.23 million from 07/08 and funding from 08/09. * *</p> <p>09/10 Program: Project proposals due 2/10/09 Funds available 2010</p> <p>10/11 Program: Funds available 2011</p> <p>11/12 Program: Funds available 2012</p>
Investment Reserve Fund Up to \$510,000 for 08/09	<p>All fairs that have completed accessibility transition plans are eligible.</p> <p>The Advisory Committee will review proposals and make recommendations for funding priorities.</p>	<p>Interest-bearing loans</p> <p>Co-funding may be recommended.</p>	<p>08/09 Program: Project proposals submitted February 2008: funding recommendations have been established. Funds available after 6/30/09. **</p> <p>09/10 Program: Project proposals due 2/10/09. Funds available 2010 **</p> <p>10/11 Program: Funds available 2011 **</p>
Replenishment Fund Up to \$340,000 for 08/09	<p>All fairs that have completed accessibility transition plans are eligible.</p> <p>The Advisory Committee will review proposals and make recommendations for funding priorities.</p>	<p>Interest-free advances for capital investment in revenue enhancing projects.</p> <p>Co-funding may be recommended.</p> <p>All projects must provide a payback component to the F&E fund.</p>	<p>08/09 Program: Project proposals submitted February 2008: funding recommendations have been established. Funds available after 6/30/09. **</p> <p>09/10 Program: Project proposals due 2/10/09. Funds available 2010 **</p> <p>10/11 Program: Funds available 2011 **</p>

** Pending license fee revenue availability

Schedule of Proposal Submission Due Dates (Postmark)

Infrastructure Matching Grants.....	Tuesday, February 10, 2009
Investment Reserve Fund.....	Tuesday, February 10, 2009
Replenishment Fund.....	Tuesday, February 10, 2009
Urgent Needs Fund.....	Ongoing

Funding Program Information

Copies of the information and forms in this packet can be obtained from the California Department Food and Agriculture website at:

http://www.cdfa.ca.gov/fe/Information/Optional_Fair_Funding.asp

Please direct all submissions and any questions regarding the current Optional Fair Funding Programs to:

Division of Fairs & Expositions
1010 Hurley Way, Suite 200
Sacramento, CA 95825
Attn: Asset Management
Tel: (916) 263-2955
Fax: (916) 263-2969
Email: ldrury@cdfa.ca.gov

Project Proposal Review

F&E will be forming advisory committees to review proposals and provide funding recommendations. If you are interested in participating in a review please let us know. F&E will be looking for representatives from the fair industry and the Joint Power Authorities to participate.

Flex Capital

2008/09 Program

Flex Capital is an incentive based program to provide financial assistance that can be used for operational expenses, programs, training, equipment or building projects.

Who is Eligible?

Class I – IV fairs with an F&E approved budget, Statement of Operations, and a performance rating of greater than “C” are eligible.

Funding

Class I – IV Fairs:

A maximum of \$30,000. Up to \$25,000 base amount + \$5,000 incentive bonus based upon fair performance rating (details below in the “Funding disbursement” section)

Exceptions:

48th & 51st DAAs: A maximum of \$20,000. Up to \$15,000 base amount + \$5,000 incentive bonus based upon fair performance rating (details below in the “Funding disbursement” section)

52nd DAA: A maximum of \$10,000. Up to \$5,000 base amount + \$5,000 incentive bonus based upon fair performance rating (details below in the “Funding disbursement” section)

Funding Disbursement: After June 30, 2009

Flex Capital funding for 2008/09 will be distributed directly to fairs by the state Controller’s Office upon authorization from F&E. No application will be necessary. Fairs wishing to utilize funding for construction projects may contact F&E or the California Construction Authority to set up a project account.

Flex Capital

F&E's authorization to release funds will vary depending upon the fair's current Performance Rating:

"A" rated fairs will be given first priority for funding authorization and will receive the \$25,000 base amount and full \$5,000 incentive bonus.

"B" rated fairs will be given next priority for funding authorization and will receive the \$25,000 base amount and \$2,500 incentive bonus.

"C" rated fairs will not receive any portion of the \$27,500 flex capital amount until performance rating is upgraded.

Fair ratings are determined annually based on performance criteria established by F&E that includes, but is not limited to, the fair's financial performance, compliance with reporting requirements and audit results and findings. The 2007/2008 Fair Performance Ratings were released to all fairs in October 2008. If you have any questions regarding the fair performance rating program and criteria, please contact Raman Bola at (916) 263-0348 or by email: Rbola@cdfa.ca.gov.

Reporting Requirements

Fairs should report expenses incurred on Schedules 8A and 8B within the annual Statement of Operations (STOP) and budgeted amounts on Schedules 3A and 3B with the annual budget.

- Schedule 8A, Non-Fair Funds Reconciliation for Capitalized Projects, shall include all Flex Capital Program funds expended by the fair towards capital assets.
- Schedule 8B, Reconciliation of F&E Funds used for Operating Purposes, shall include all Flex Capital Program funds expended by the fair towards operating expenses.
- Schedule 3A, Non-Fair Funds Reconciliations for Capitalized Projects, shall include all projected Flex Capital Program funds anticipated by the fair towards capital assets.
- Schedule 3B, Reconciliation of F&E Funds used for Operating Purposes, shall include all projected Flex Capital Program funds anticipated by the fair towards operating expenses.

Flex Capital

Types of Qualifying Expenditures

Based on feedback received by the California Fair Alliance Board, there will be no spending restrictions on flex capital funding. Therefore, F&E has decided to use the above mentioned schedules for information purposes only. There will no longer be a general ledger account #94500. Fairs should book the expenses incurred to the respective expense accounts but should also list the expenses on the above mentioned schedules for information purposes only.

F&E will annually review Flex Capital spending activity reported in the annual STOP. As such, all fairs will be responsible for maintaining all supporting documentation for Flex Capital expenditures for audit purposes.

Urgent Needs/Emergency Fund

Fairs may apply to F&E for Urgent Needs/Emergency Fund consideration for financial assistance to pay for one-time urgent, unexpected expenses. Circumstances caused by the need to replace aged equipment and infrastructure and other deferred maintenance situations do not qualify for this program and cannot be given consideration for funding.

Who is Eligible?

Class I – VII fairs with an F&E approved budget and Statement of Operations are eligible.

Approval & Amount

Each request will be evaluated by F&E for compliance with these funding guidelines and criteria.

Types of Qualifying Events

- Damage caused by natural disasters, such as earthquakes, heavy winds, flooding, fire, or theft and vandalism to fair property, including buildings, grounds, infrastructure and equipment.
- Financial hardships caused by facility failures such as power outages; events such as riots and police actions; or loss of use due to staging and mobilization of emergency services during emergency response.
- Other unexpected one-time circumstances that create an urgent need due to forces beyond the control of the fair.

Funding

- Funding may be provided as a grant, as an interest-free advance with a repayment obligation or as an interest bearing loan.
- Project cost savings shall be shared by F&E and the fair on a pro-rata basis consistent with the percentage funding split.

Urgent Needs/Emergency Fund

Types of Qualifying Expenditures

- Insurance deductible co-pay
- Event revenue loss
- Extra utility costs due to emergency staging (not reimbursed by the disaster agency)
- Costs for cleaning and repair
- Costs for repairs/replacement of buildings, infrastructure or equipment
- Consultant fees for engineering and design services

Conditions

1. Urgent Needs Funds cannot be used to supplement ongoing operational expenses.
2. A California Construction Authority inspector must provide inspections for all projects funded with Urgent Needs Funds. Non-DAA fairs can request to use local inspectors.
3. The money must be used within a year of the application or the fair must ask F & E for an extension. If the extension is denied, the money goes back into the program for reallocation.

How to Apply

Insurance deductible co-pay funding is not automatically granted.

Fairs should submit a brief request on fair letterhead describing the event, projected expenses and how the fair would propose to fund those expenses including the amount of fair co-funding being proposed and what will be covered by insurance, etc. Fairs are encouraged to work with the California Construction Authority to develop a cost estimate and scope of work and should provide copies of bids, estimates, and the scope of work as backup documentation for the request. Please direct requests to:

Division of Fairs & Expositions
1010 Hurley Way, Suite 200
Sacramento, CA 95825
Attn: Asset Management
Tel: (916) 263-2955
Fax: (916) 263-2969
Email: ldrury@cdfa.ca.gov

Infrastructure Matching Grants

The focus of the Infrastructure Matching Grants program is to assist fairs in accomplishing major deferred maintenance projects. When considering capital improvement and construction projects on your fairgrounds, the priority projects from your fair's Accessibility Transition Plan should be incorporated in your project proposals for these grants.

For the purposes of this program "Infrastructure" can be considered to include projects such as new buildings, repairs or renovations of existing buildings, paving, utilities installations or other fairground upgrades, such as event equipment, to support fair events or interim events.

- Fairs may use funds for multiple projects.
- All fairs will be funded continuously over a three-year cycle
- Class I and II fairs that are not funded for projects from the 2008/09 program may apply for project funding from the 2009/10 program
- At the close of each fiscal year, program funds that are uncommitted or not encumbered in construction projects may be returned to the Infrastructure Matching Grant account for future reallocation.

Infrastructure Matching Grants

Who is Eligible?

Class I – VII fairs with an F&E approved budget and Statement of Operations

Fair Class	Grant Amount	Percent Match	Amount of Match	Total Funding	Funding Year
I*	\$197,000	5%	\$9,850	\$205,250	2008/09 or 2009/10
II*	\$155,000	10%	\$15,500	\$170,500	2008/09 or 2009/10
III	\$118,000	15%	\$17,700	\$135,700	2009/10 or 2010/11
IV	\$81,000	20%	\$16,200	\$97,200	2010/11
V	\$65,000	20%	\$13,000	\$78,000	2010/11
VI	\$19,000	20%	\$3,800	\$21,800	2010/11
VII	\$13,000	20%	\$2,600	\$15,600	2010/11

*Please refer to program details on pages 12 and 13 for exceptions.

2008/09 Program

Class I and II fairs are eligible for project funding for the 08/09 program

Project proposals for the 08/09 programs were submitted in February 2008. Funding recommendations have already been established.

Up to \$3,780,000 for project funding available in 2009. The Advisory Committee has reviewed the project proposals and made recommendations for funding priorities.

- Class I fairs: grants up to a maximum of \$197,000* with a (5%) \$9,850 local match. *Exception for the 51st and 52nd DAAs: grants up to a maximum of \$30,000 with a (5%) \$1,500 local match
- Class II fairs: grants up to a maximum of \$155,000* with a (10%) \$15,500 local match. *Exception for the 48th DAA: grants up to a maximum of \$38,000 with a (10%) \$3,800 local match

Grant Monies will be available to assist with start up engineering and bidding costs. There is a budget of \$7,500 per fair for these initial costs. In order to receive this grant you must contact your CCA project manager to discuss your project needs so that a project account can be established with funds for your fair's use in getting the project started.

Infrastructure Matching Grants

2009/10 Program

Class I and II fairs that did not previously receive grants and all class III fairs will be eligible to submit project proposals for the 09/10 program

Project proposals for the 09/10 program will be due **February 10, 2009**. See the Project Proposal – Attachment A.

Funding

Up to \$2,550,000 will be available for project funding in 2010 for class I, II and III fairs. The Advisory Committee will review project proposals and make recommendations for funding priorities.

Class I fairs

Grants up to a maximum of \$197,000* with a (5%) \$9,850 local match. *Exceptions for the 51st and 52nd DAAs: grants up to a maximum of \$30,000 with a (5%) \$1,500 local match.

Class II fairs

Grants up to a maximum of \$155,000* with a (10%) \$15,500 local match.
*Exception for the 48th DAA: grants up to a maximum of \$38,000 with a (10%) \$3,800 local match.

Class III fairs

Grants up to a maximum of \$118,000 with a (15%) \$17,770 local match.

2010/11 Program

Class I, II and III fairs that did not previously receive grants and all IV - VII fairs will be eligible to submit project proposals for the 10/11 program

Project proposals for the 10/11 program will be due February 2010. See the Project Proposal – Attachment A.

Funding

Up to \$2,600,000 will be available for project funding in 2011 for class III - VII fairs. The Advisory Committee will review project proposals and make recommendations for funding priorities.

Class III fairs

Grants up to a maximum of \$118,000 with a (15%) \$17,770 local match

Class IV fairs

Grants up to a maximum of \$81,000 with a (20%) \$16,200 local match

Class V fairs

Grants up to a maximum of \$65,000 with a (20%) \$13,000 local match

Class VI fairs

Grants up to a maximum of \$19,000 with a (20%) \$3,800 local match

Class VII fairs

Grants up to a maximum of \$13,000 with a (20%) \$2,600 local match

2011/12 Program

Class I and II fairs will be eligible to submit project proposals for 11/12

2010/11 will be the Project Planning Phase for 2011/12 construction projects which will begin the second round of funding for class I and II fairs. Those project proposals will be due February 2011. Construction funding will be available July 2012.

Infrastructure Matching Grants

Local Matching Funds

The local match component can come from local or federal government resources, utility companies, and/or local community civic groups or other local resources. The match can include donated services, materials, time, etc. All materials and volunteer time contributions that will be applied towards the match must be evaluated by F&E. Your project proposal will need to include cost estimates; bids or proposals identifying the materials or labor donated and estimated value.

Basic Criteria

- The project should fit with and support the fair's strategic master plan.
- The fair has either completed or is in the process of completing their Accessibility Transition Plan and, if completed, it has been approved by the board.
- The project has the commitment of the entire board of directors.
- The fair makes a good faith effort to obtain local matching funds.
- The project incorporates accessibility, environmental, and health and safety components in the project scope.
- The project should be substantially complete within 12 months.

Please direct Infrastructure Matching Grant proposals to:

Division of Fairs & Expositions
1010 Hurley Way, Suite 200
Sacramento, CA 95825
Attn: Asset Management
Tel: (916) 263-2955
Fax: (916) 263-2969
Email: ldrury@cdfa.ca.gov

Investment Reserve Fund

The Investment Reserve Fund is a competitive program to provide fairs with loans for capital improvements or program enhancements.

- Term: up to 15 years
- Interest rates will be a discounted rate based on current commercial lending rates:
 - 5 year term: interest rate based on current LAIF rate + 0.5%
 - 7 year term: interest rate based on current LAIF rate + 0.75%
 - 10 year term: interest rate based on current LAIF rate + 1.5%

Who is Eligible?

Class I – VII fairs with F&E approved budget and Statement of Operations

2008/09 Program

Project proposals for the 08/09 program were submitted in February 2008. Funding recommendations have already been established.

Funding:

Up to \$510,000 available for projects after June 2009 pending license fee revenue availability.

2009/10 Program

Project proposals for the 09/10 program will be due **February 10, 2009**. See the Project Proposal – Attachment A.

Funds for the 09/10 program will be available after June 2010 pending license fee revenue availability.

Please direct Investment Reserve Fund proposals to:

Division of Fairs & Expositions
1010 Hurley Way, Suite 200
Sacramento, CA 95825
Attn: Asset Management
Tel: (916) 263-2955
Fax: (916) 263-2969
Email: ldrury@cdfa.ca.gov

Replenishment Fund

The Replenishment Fund is a capital investment program for strategic investment in new facilities, programs, interim events or upgrading of existing facilities to enhance profitability and revenue generation.

- Interest-free fund advances
- Payback terms up to 10 years
- 10% return payback on the capital investment begins the second year after substantial completion

Who is Eligible?

Class I – VII fairs with F&E approved budget and Statement of Operations

2008/09 Program

Project proposals for the 08/09 program were submitted in February 2008. Funding recommendations have already been established.

Funding:

Up to \$340,000 available for projects after June 2009 pending license fee revenue availability.

2009/10 Program

Project proposals for the 09/10 program are due **February 10, 2009**. See the Project Proposal – Attachment A.

Funds will be available after June 2010 pending license fee revenue availability.

Please direct Replenishment Fund proposals to:

Division of Fairs & Expositions
1010 Hurley Way, Suite 200
Sacramento, CA 95825
Attn: Asset Management
Tel: (916) 263-2955
Fax: (916) 263-2969
Email: ldrury@cdfa.ca.gov

Appeal Process

This policy sets out the procedure for fairs to appeal project funding decisions as applied to the 2008/09 Optional Fair Funding Programs.

Request for Appeal

Fairs wishing to appeal can submit a written request on fair letterhead to F&E outlining the reasons for the appeal. Appeals should be submitted in writing to F&E within fourteen (14) business days of receiving the committee's written determination.

The appeal will be reviewed and discussed by management staff at F&E and with other members of the technical advisory committee. Within fourteen (14) business days of receiving the fair's written appeal, the Division Director of F&E will respond in writing to fair management with his recommendation.

Please direct submissions regarding the Appeal Process to:

Division of Fairs & Expositions
1010 Hurley Way, Suite 200
Sacramento, CA 95825
Attn: Asset Management
Tel: (916) 263-2955
Fax: (916) 263-2969
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